



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Agreement with Lodi Unified School District for Purchase of Compressed Natural Gas at Municipal Service Center Fueling Station

MEETING DATE: September 19, 2012

PREPARED BY: Public Works Director

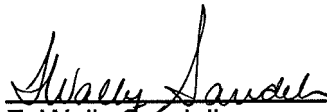
RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute agreement with Lodi Unified School District for purchase of compressed natural gas at Municipal Service Center fueling station.

BACKGROUND INFORMATION: Recently, Lodi Unified School District (LUSD) contacted City staff requesting to fill six new compressed natural gas (CNG) buses at the City's CNG fueling facility. They are currently constructing a new CNG fueling facility at their site that is to be completed in a year. The agreement includes extensions to accommodate LUSD's CNG facility construction schedule.

The City will charge LUSD the current cost per therm charged by PG&E to Lodi, plus maintenance and operation costs, administrative fees, and a CNG Station depreciation/replacement charge. The current charge is \$1.451 per equivalent gallon but fluctuates with the direct charge from PG&E.

FISCAL IMPACT: Revenue received from the CNG fuel sale will be credited to the Transit fund.

FUNDING AVAILABLE: Not applicable.


F. Wally Sandelin
Public Works Director

Prepared by Paula Fernandez, Transportation Manager/Senior Traffic Engineer

FWS/PJF/pmf

cc: Fleet Supervisor
Financial Services Manager
Carlos Garcia, LUSD

APPROVED:


Konradt Bartlam, City Manager

AGREEMENT TO USE CNG FUELING STATION

This Agreement is made and entered into _____, 2012 ("Effective Date"), by and between the City of Lodi, a municipal corporation ("Lodi"), and the Lodi Unified School District, a local school district ("LUSD").

WHEREAS, Lodi is the owner of a CNG Fueling Station located at its Municipal Service Center, 1331 South Ham Lane, Lodi, San Joaquin County, California ("CNG Facility"); and

WHEREAS, LUSD desires to temporarily use the CNG Facility for the purpose of fueling certain buses in its district fleet while it constructs a CNG facility; and

WHEREAS, Lodi has consented to the use of the CNG Facility on the terms and conditions detailed below.

NOW, THEREFORE, the parties agree as follows:

1. Lodi will permit LUSD to use the CNG Facilities, for the sole purpose of fueling buses in its district fleet. LUSD will be charged per gallon of compressed natural gas and billed monthly for charges incurred, as follows: the current cost per therm (at the rate charged by PG&E to Lodi) X 1.278 (conversion factor) plus \$0.52 per gallon for maintenance and operation costs, administration fees¹, and plus \$0.12 per gallon for CNG Station depreciation/replacement charge².

Payment by LUSD is due and payable upon receipt of Lodi's invoice and delinquent if not paid in full within 30 days of receipt.

2. The term of this Agreement shall be from October 1, 2012, through December 31, 2013 ("Term"). Lodi through its City Manager and LUSD may mutually agree to extensions of this Agreement to accommodate LUSD's CNG facility construction schedule.

3. Employees of LUSD using the CNG Facilities are required to receive training by Lodi in the proper use of the CNG Facilities prior to use.

4. In the event that the CNG Facility is damaged by employees or agents of LUSD during the Term of this Agreement, LUSD agrees to reimburse the City for all costs incurred by the City that are necessary to return the CNG Facility to its condition prior to the damage.

¹ Cost per therm X 1.278+ \$0.54 maintenance & operation + \$0.10 administration = price per gallon of CNG fuel.

² CNG Station Depreciation/Replacement Charge = + \$0.12 per gallon of CNG fuel.

5. LUSD acknowledges that no more than two (2) buses are permitted at any one time at the CNG Facility and that buses waiting for fueling will be staged at an area designated by Lodi's Fleet Supervisor or his designee. LUSD also acknowledges and agrees that Lodi buses and fleet vehicles have priority to fuel at the CNG Facility, and may move ahead of LUSD buses when fueling, if necessary, to meet Lodi's fueling requirements. Should LUSD's fueling at the CNG Facility deplete the storage and/or availability of fuel for Lodi buses and fleet vehicles, the number of LUSD buses permitted to fuel may be limited. Lodi's Fleet Supervisor or his designee retain the sole discretion to limit the number of LUSD buses permitted to fuel at the CNG Facility during the Term of this Agreement.

6. This Agreement may be terminated by either party at any time upon 10-days written notice to the other. Notice shall be given as provided in paragraph 11 below.

7. LUSD agrees to indemnify, defend and hold Lodi harmless from and against any and all claims, losses, damages, expenses, judgments and costs, including attorneys' fees and court costs, resulting from LUSD's use of the CNG Facility during the Term of this Agreement.

8. Upon execution of this Agreement, LUSD shall provide Lodi with documentation confirming that contract employees of LUSD are to be considered solely as employees of LUSD while said contract employees are using the CNG Facility or are on the grounds of Lodi's Municipal Service Center, and further that such contract employees are not covered under any existing contract that the City of Lodi may have with LUSD's current transportation contractor or any future transportation contractor that may be under contract with LUSD.

9. LUSD shall, at its own expense, maintain in full force and effect during the term of this Agreement a policy of at least \$5,000,000 comprehensive public liability and auto liability insurance against any liability resulting from LUSD's use of the CNG Facility under this Agreement. Lodi shall be named as an additional insured and all policies shall be written on a primary basis. LUSD shall be able to furnish a certificate of such insurance or evidence of coverage provided under any self-insurance program maintained by LUSD immediately following execution of this Agreement.

10. LUSD may not assign its rights under this Agreement to any other party.

11. Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or in three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To Lodi:	City of Lodi
	Wally Sandelin, Public Works Director
	221 West Pine Street
	P.O. Box 3006
	Lodi, CA 95241-1910

To LUSD: LUSD
Carlos Garcia, Director of Transportation
1305 E Vine Street
Lodi, CA 95240

12. This Agreement contains the entire agreement between the parties relating to the rights granted and obligations assumed under it. Any amendments or modifications to this Agreement will not be effective unless contained in a writing signed by both parties.

13. This Agreement shall be interpreted and construed under the laws of the State of California. The forum for any dispute arising out of this Agreement shall be the San Joaquin County Superior Court.

IN WITNESS WHEREOF, this Agreement has been entered into as of the effective date as written above.

CITY OF LODI
a municipal corporation

LODI UNIFIED SCHOOL DISTRICT
a local school district

By: _____
KONRADT BARTLAM
City Manager

By: _____

ATTEST:

ATTEST:

By _____
RANDI JOHL
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
D. STEPHEN SCHWABAUER
City Attorney



By: _____

RESOLUTION NO. 2012-145

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING CITY MANAGER TO EXECUTE
AGREEMENT AND EXTENSIONS WITH LODI UNIFIED
SCHOOL DISTRICT FOR PURCHASE OF
COMPRESSED NATURAL GAS AT MUNICIPAL
SERVICE CENTER FUELING STATION

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WHEREAS, Lodi Unified School District (LUSD) has requested to fill six new compressed natural gas (CNG) buses at the City's CNG fueling facility while it is constructing a new CNG fueling facility at its site; and

WHEREAS, the LUSD facility should be completed in a year; however, the agreement includes extensions to accommodate LUSD's CNG facility construction schedule; and

WHEREAS, the City will charge LUSD the current cost per therm charged by PG&E to Lodi, plus maintenance and operation costs, administrative fees, and a CNG Station depreciation/replacement charge.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an agreement and extensions with Lodi Unified School District for purchase of compressed natural gas at the Municipal Service Center fueling station.

Dated: September 19, 2012

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I hereby certify that Resolution No. 2012-145 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 19, 2012, by the following vote:

AYES: COUNCIL MEMBERS – Johnson, Katzakian, Nakanishi, and
Mayor Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Hansen

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

CITY COUNCIL

JOANNE L. MOUNCE, Mayor
ALAN NAKANISHI,
Mayor Pro Tempore
LARRY D. HANSEN
BOB JOHNSON
PHIL KATZAKIAN

CITY OF LODI
PUBLIC WORKS DEPARTMENT

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6706
FAX (209) 333-6710
EMAIL pwdept@lodi.gov
<http://www.lodi.gov>

KONRADT BARTLAM
City Manager
RANDI JOHL
City Clerk
D. STEVEN SCHWABAUER
City Attorney
F. WALLY SANDELIN
Public Works Director

September 13, 2012

Lodi Unified School District
Carlos Garcia, Director of Transportation
1305 E. Vine Street
Lodi, CA 95240

SUBJECT: Adopt Resolution Authorizing City Manager to Execute Agreement with
Lodi Unified School District for Purchase of Compressed Natural Gas at
Municipal Service Center Fueling Station

Enclosed is a copy of background information on an item on the City Council agenda of
Wednesday, September 19, 2012. The meeting will be held at 7 p.m. in the
City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the consent calendar and is usually not discussed unless a
Council Member requests discussion. The public is given an opportunity to address
items on the consent calendar at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council,
City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the
mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's
card (available at the Carnegie Forum immediately prior to the start of the meeting) and
give it to the City Clerk. If you have any questions about communicating with the
Council, please contact Randi Johl, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call Paula Fernandez,
Transportation Manager, at (209) 333-6800, extension 2667.



for : F. Wally Sandelin
Public Works Director

FWS/pmf

Enclosure

cc: City Clerk